GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA

STARRED QUESTION NO:150
ANSWERED ON:02.12.2005
PRIVATE SECTOR PARTICIPATION IN RURAL DEVELOPMENT
Mandal Shri Sanat Kumar

Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether any steps have been taken by the Government for involving private sector in rural development;

(b) if so, the details thereof and the areas identified for the purpose; and

(c) the details of facilities and the concessions given / to be given to the private sector in this regard?

Answer

MINISTER FOR RURAL DEVELOPMENT (DR. RAGHUVANSH PRASAD SINGH)

(a) to (c) A Statement is laid on the Table of the House.

Statement referred in Reply to Lok Sabha Starred Question No. 150 due on 02.12.2005

The Ministry of Rural Development has approved two special projects for generation of self-employment with private participation. The areas covered by these projects and the details of concessions/facilities offered to the private sector for these projects are indicated below:

(i) Livelihood Advancement Business School: The objective of the project is to identify and make available potential livelihood options for 35,000 below poverty line (BPL) youth in the age group of 18−35 years and train them in skills according to the market requirements, thereby working towards achieving the goal of poverty reduction. Dr. Reddy`s Foundation is to implement the project in 7 States. The total cost of the project is Rs. 14 crore, out of which the Government share is 75%.

(ii) Self-Help Group Mobilization, Capacity Building and Credit Linkage: The objective of the project is group mobilization, capacity building and credit linkage of the Self Help Groups (SHG). ICICI Bank will be implementing the project in two states to promote SHG of BPL beneficiaries. The total cost of the project is Rs. 15 crore over a period of five years to be borne by the Central Government. An amount of Rs. 15,000/- will be provided by the Government per SHG as the cost of group formation. The credit will be provided by ICICI Bank from their own resources.

2. While the Pradhan Mantri Gram Sadak Yojana (PMGSY) is implemented by the State Governments, the works are executed by contractors who are generally in the private sector. The contracts are awarded through well established tendering procedures. In addition, the Ministry of Rural Development has signed a Memorandum of Understanding (MOU) with Shree Warana Rural Roads Development & Maintenance Co-operative Society Limited (WARANA) and Government of Maharashtra to enable the Society to execute PMGSY works in three districts of Maharashtra. The MOU envisages planting of fruit trees by the Society on the sides of the roads and the revenue from these trees would accrue to the Society.

3. A National Fund for Rural Development (NFRD) also exists, to which individuals, corporate and non-corporate bodies can make donations. The NFRD is envisaged to act as a channel for mobilizing efforts and resources for rural development. The accruals to the Fund are to be used for rural development projects, which may be implemented by the private sector also.